
TOO GOOD TO BE TRUE....

A Column on Consumer Issues

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Understanding Your Telephone Bill Part 2

The competition among telephone companies is great since the deregulation of the telecommunications industry. It is especially important that you examine your telephone bill carefully each month to determine if you have been charged accurately. In Part 1 of our series on Understanding Your Telephone Bill we talked about basic telephone terminology. This week we will focus on additional telephone terminology you will encounter on your monthly bill.

The following definitions and explanations will help guide you through interpreting your monthly telephone bill. You will find federal surcharges on your telephone bill. Some of those charges may include:

- ◆ **Carrier Line Charge** [Pre-subscribed Inter-exchange Carrier Charge (PICC)] – mandated by federal law to compensate the local telephone company for the portion of the cost of providing local telephone lines determined to be associated with state services, such as intrastate long distance service and local exchange services. Long distance companies pay local phone companies for access to their local phone network to begin and end a long distance call. The FCC regulates the price. Although the FCC does not require that long distance companies pass the charges on to consumers, it permits companies to pass the charges on in various ways, such as with a fixed charge or a percentage of the cost. Price structure and levels vary.
- ◆ **Subscriber Line Charge** (SLC) or Interstate Subscriber Line Charge – a monthly charge created by the Federal Communications Commission (FCC) to compensate local telephone companies for a portion of the cost of providing local telephone lines determined to be associated with interstate services such as interstate long distance. The SLC ranges from \$3.50 per month for primary residential lines to \$9.00 per month for business lines.
- ◆ **Universal Service Fee or Universal Connectivity** (USF) – Since the telephone service provides a vital link to emergency services, and to surrounding communities, it has been national policy to promote telephone service to all households since the inception of telephone service in the 1930s. The USF pays for subsidies to make phone service affordable and available to all Americans, including:
 - ◆ consumers with low incomes;

- ◆ consumers who live in areas where the cost of providing telephone service is high;
 - ◆ schools and libraries; and,
 - ◆ rural health care providers.
- ◆ **Local Number Portability (LNP)** – is a service to foster competition by providing consumers with a method for choosing among telecommunication providers. LNP provides the means to change service providers while maintaining the current directory number.
 - ◆ **Federal excise tax** – federally mandated tax of 3% levied on both local and long distance charges.

Other charges that are typically collected by local telephone companies on behalf of government entities are:

- ◆ **State and local taxes** – levied by state government and by local or municipal government for goods and services. Taxes are a percentage of your bill.
- ◆ **911 Service fee** – the fee that is charged in some localities to support the emergency 911-telephone service. It normally appears on the local telephone bill.
- ◆ **Telecommunications Relay Service (TRS) Surcharge** – a charge mandated by state law that has varied from 4 cents to 10 cents per line. The monies collected are used to fund the TRS, which is a way for deaf, hard-of-hearing or speech-impaired individuals to have telephone conversations with hearing individuals, using a Teletypewriter (TTY) or Telecommunications Device for the Deaf (TDD).
- ◆ **Pay-phone access fee** – usually 30 cents for each calling card call you make from a pay phone. This is to compensate the pay-phone owners.

The look of a telephone bill varies from company to company and the same kind of fee may be called different names, but the terms we have defined will help you understand the standard charges that appear on most telephone bills.

The Attorney General's Consumer Protection Division investigates allegations of fraud in the marketplace. Investigators also mediate individual complaints against businesses. If you have a consumer problem or question, call the Consumer Protection Division at 328-3404, toll-free at 1-800-472-2600, or 1-800-366-6888 (w/TTY). This article and other consumer information is located on our website at www.ag.state.nd.us.

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